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For Immediate Release:

## **San Bruno Demands Long-term Pipeline Safety Reforms on 4<sup>th</sup> Anniversary of PG&E Explosion and Fire**

**Calls on PG&E CEO to Stand by Public Commitment to Accept  
Penalty and Fine**

***Demands Governor and State Legislature Appropriate \$950  
Million Fine for Independent Monitor, Pipeline Safety Trust***

**San Bruno, Calif.** – On the fourth anniversary of the worst natural gas pipeline disaster in U.S. history, San Bruno Mayor Jim Ruane said the city will continue to demand an Independent Monitor and Pipeline Safety Trust from both state leaders and the U.S. Attorney’s Office – reforms vital to ensuring that the Pacific Gas & Electric Co. explosion and fire that happened in San Bruno on Sept. 9, 2010 never happens again.

“We cannot bring back the eight innocent lives lost at the hands of PG&E and the CPUC, but on the fourth anniversary of this senseless tragedy, we will continue to work on behalf of the victims and citizens of San Bruno to secure permanent funding for critical reforms, including an Independent Monitor and the establishment of the California Pipeline Safety Trust, to safeguard the public from future negligence by PG&E and lax oversight by the CPUC,” Ruane said. “The PG&E disaster in San Bruno

and the failure of state regulators must serve as a wake-up call for PG&E, the CPUC and state elected leaders to put public safety first.”

Ruane said in the four years since the PG&E gas pipeline exploded and caught fire in the city’s Crestmoor neighborhood -- killing eight people, injuring 66 and destroying 38 homes -- San Bruno continues to bravely cope with the irreparable loss.

More than half of those homes have been rebuilt and infrastructure repairs are near completion – a testament to the community’s hard work in moving forward following the devastating explosion.

As of today, 22 families have rebuilt their homes and returned to the neighborhood. Two more homes are in progress. By this time next year, 10 more homes will be under construction by a developer who plans to sell them to a new generation of families. The city has also completed all underground infrastructure and is on track to completing all above-ground infrastructure in the next year and a half, including new sidewalks, street paving and street lights.

“Our efforts to restore this neighborhood and achieve full recovery are dedicated to the memory of the victims of this disaster,” Ruane said. “But while we can rebuild our streets and homes, we will never bring back the innocent lives tragically lost. In their honor, we continue to advocate tirelessly for a safer pipeline system statewide so that what happened in San Bruno never happens again.

Last week, the CPUC’s Administrative Law Judges levied a \$1.4 billion penalty and fine against PG&E – the largest in U.S. history – for recklessly violating more than 3,700 pipeline safety laws. Ruane mostly lauded the 1,000-page CPUC decision and recognized the hard work that helped bring the proposed penalty to its current level.

“Two years ago, the media reported a potential \$500 million penalty – today PG&E is faced with a record \$1.4 billion penalty and fine. That’s a testament to the hard work of city and state leaders on behalf of the victims of the disaster,” Ruane said.

However, the city said it disagrees with the decision’s explicit denial of an Independent Monitor and a Pipeline Safety Trust – two outcomes of this proceeding that the city considers vital to ensuring a safer pipeline system going forward.

The city also repeated objections to the \$950 million fine being placed in the state general fund and demanded that Gov. Jerry Brown and the State Legislature allocate the funding for pipeline safety reforms, including the creation of the Independent Monitor and Pipeline Safety Trust. City leaders said they would work closely with state lawmakers to make sure this happens.

The city will also request that the U.S. Attorney require these remedies as part of PG&E’s ongoing criminal case. In August, the U.S. Attorney’s office filed enhanced criminal findings against PG&E for 27 counts stemming from the San Bruno natural-gas explosion.

“Creation of the Independent Monitor and a Pipeline Safety Trust are now needed more than ever to ensure that PG&E follows its own safety plan given the lax enforcement by politically appointed CPUC

commissioners,” Ruane said. “We will continue to explore all avenues to secure both mechanisms for objective oversight to supplement and enhance the CPUC’s ability to regulate.”

“CPUC regulators are guilty in this tragedy through their cozy relationship with PG&E,” Ruane added. “They were responsible for overseeing PG&E and they failed miserably. Instead of regulating the state’s largest utility, they let PG&E off the hook, and we believe an Independent Monitor and a California Pipeline Safety Trust are critical to preventing that from happening again.”

Finally, city leaders called on PG&E CEO Tony Earley to uphold the commitment made throughout the media to accept a fair punishment for the company’s role in this man-made tragedy. Multiple investigations found the explosion to be the result of the company’s decision to deliberately misdirect money designated for pipeline safety to executive salaries and shareholder returns. Nonetheless, PG&E continues to fight financial penalties at every turn – and erroneously call this tragedy an “accident.”

“We are outraged by PG&E CEO Tony Earley’s prolonged refusal to take direct responsibility for killing eight of our citizens, and in particular the decision by PG&E to appeal the CPUC decision in light of its recent media blitz saying that it would accept a reasonable fine.” Ruane said. “Both the CPUC and the U.S. Attorney have now concluded that the explosion on PG&E’s line 132 was the result of deliberate and intentional misconduct by PG&E over several decades. It is time for PG&E to do the right thing, stop calling this an ‘accident’ and accept the level of penalty as proposed.”

PG&E lawyers have also sought to quash any references to “San Bruno” in the supplemental criminal indictment. Ruane called this latest tactic “outrageous.”

“As if there would have been a criminal case against PG&E if it had not blown up San Bruno,” he said.

Distrust in PG&E and its relationship with the CPUC is why the city has demanded the recusal of CPUC President Michael Peevey from participation in the final decision. This request is to assure a proper and fair conclusion to the proceedings following the release of the private illegal emails between Peevey and PG&E demonstrating his bias in the case. The CPUC has yet to rule on San Bruno’s request for sanctions against PG&E for inappropriate ex parte communications with President Peevey.

Ruane said on behalf of the victims and citizens of San Bruno, the city’s ultimate goal is a final measure of justice and a safer pipeline system statewide.

“State leaders, the CPUC and PG&E have an opportunity to take the tragic experience in San Bruno and use it to make fundamental change in how our state’s natural gas pipeline system is regulated, operated and managed,” Ruane said. “San Bruno’s tragedy four years ago should have--and could have--been prevented. Our job moving forward is to make sure similar tragedies are prevented in California.”